

News Release



Controller of the State of California - Kathleen Connell

600 Corporate Pointe, Suite 1150
Culver City, California 90230

Contact: *Byron Tucker (310) 342-5678 or Susie Wong (916) 445-2636*

For Immediate Release

STATE CONTROLLER PROVIDES UPDATE ON ESCROW LAWSUIT IMPACT IN VENTURA COUNTY

\$860,000 Remitted to Controller by Local Title and Escrow Companies

VENTURA, November 10, 1999— State Controller Kathleen Connell today reported that her office's statewide audit effort against California's title and escrow industry is progressing well and eventually will result in the recovery of millions of dollars for California home and business owners. She is scheduled to make a major announcement on the escrow lawsuit shortly to report on the specific results of her audit effort to date. Currently, nine title and escrow companies with branches in Ventura County are in the process of being audited or will soon be audited.

"The audit results to date support our lawsuit contention that title and escrow companies systematically cheated California home and business owners out of millions of dollars in escrow proceeds," said Connell. "I am committed to the recovery of every cent illegally withheld," she added.

In Ventura County, the nine title companies that are subject to the Controller's audit are: American Title Co., Chicago Title Co., Fidelity National Title Insurance Co., First American Title Co., Old Republic Title Co., Gateway Title Co., Lawyers Title Co., United Title Co., and Universal Title Co. To date, two of the nine title companies plus another three escrow companies that conduct business in Ventura have voluntarily remitted approximately \$860,000 to the State (see attached listing).

“Although I am encouraged by the apparent willingness by some of the companies to cooperate by voluntarily remitting funds to the State, I am convinced that the final audit outcome will show that the amount owed is much higher, perhaps as much as \$500 million statewide,” said Connell.

The statewide audit effort by the State Controller's Office stems from Connell's filing of a class action lawsuit in May of this year on behalf of consumers against California's title insurance and escrow industries for numerous illegal actions in the administering of escrow accounts from 1970 to the present.

The suit alleges that title and escrow companies illegally held dormant and unclaimed escrow funds, retained fees charged to home buyers for services not rendered and retained interest on deposited escrow funds that should have been returned to their customers.

Controller Connell spoke in Oxnard before the National Women's Political Caucus, Ventura County.

#

For more information visit our Web site at <http://www.sco.ca.gov>

Ventura County Operating Escrow and Title Companies
That Voluntarily Remitted Funds to State Controller's Office
as of 11/10/99

<u>Holder/Receipt Date</u>	<u>Funds Received</u>
American Title Company, 11/2/99	\$379.33
Chicago Title Co., 11/1/99	\$32,386.85
Escrow Productions (Northridge), 6/11/99	\$272.28
Service Escrow Co. (Los Angeles), 6/23/99	\$306,772.68
Spring Mountain Escrow (Irvine), 6/22/99	\$519,486.61
	<u>\$859,297.75</u>